

March 18, 2014

California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Keith Wallace
Zaffar Eusuff
901 P Street
Sacramento, CA 95814

Subject: Recommendations for Process Improvements in Emergency Drought Relief Grant Program

Dear Mr. Wallace and Mr. Eusuff:

The San Diego County Water Authority welcomes this opportunity to recommend ways that the Department of Water Resources (DWR) may improve the way it awards funds in the emergency drought relief grant program. This letter represents the recommendations of the Water Authority and the other San Diego Region water leaders who have signed it. It is important to note that the San Diego Regional Water Management Group (RWMG) also will submit a letter with recommendations for how DWR may improve operation of its remaining Proposition 84 grant solicitations. As a member of the San Diego RWMG, the Water Authority will sign on to that letter as well.

Given the urgency of the water situation in California, DWR should <u>not</u> use its traditional proposal solicitation and review process to award the \$200 million in emergency drought relief funds. DWR has taken up to 11 months to award funds in previous rounds of the Proposition 84 IRWM grant progam. The awards must occur much more swiftly this time.

For a truly "expedited" round of funding, DWR should revise the way it solicits, evaluates and awards the IRWM emergency drought relief grants. DWR should establish maximum funding amounts proportional to the funding area allocations in PRC §75027 and award "block grants" of funds to planning regions in funding areas that comprise one eligible region or have adopted agreements about how they will share the available IRWM funding.

DWR would use a simplified proposal review per PRC §75026 before releasing the funds to eligible planning regions. The proposal submitted by a planning region would

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Olivenhain Municipal Water District

Otay Water District

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San Dieguito Water District

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South Bay Irrigation District

Vallecitos Water District

Valley Center Municipal Water District

Vista Irrigation District

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OTHER REPRESENTATIVE

County of San Diego

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explain what type of projects it plans to fund and demonstrate how the projects satisfy the requirements established in SB 104 concerning projects that are eligible for funding. This would allow the planning region to solicit, select, award and contract for drought response projects directly. A region that receives block grant funding would agree to report the actual projects it funds to DWR within 90 days of the grant award, along with task-oriented budgets and schedules for each project. The planning region also would confirm that the projects are consistent with its IRWM Plan.

When it reviews grant applications from eligible planning regions, DWR would defer to regional project selection processes where they are conducted through open and transparent stakeholder committees. Those regions that establish stakeholder-driven project selection committees, such as San Diego, are implementing robust scoring and vetting of their project suites prior to submittal to DWR. While we agree with DWR's efforts to ensure funding of truly integrated water resources projects, there is no need for additional extensive scoring and ranking of proposals in such regions. PRC §75028(a) states that DWR:

"shall defer to approved local project selection and review projects only for consistency with the purposes of §75026."

As directed in PRC §75026, DWR should request only information necessary to confirm that the contents of the grant applications is consistent with the local IRWM Plan and the funding agreement adopted by planning regions in the funding area. DWR also should confirm that the project concepts provided by the planning region will provide multiple benefits and help to achieve DWR's program preferences. Extensive development of supporting information beyond those necessary to comply with the Public Resources Code should be eliminated.

Deferring to the regional project selection process will reduce DWR's workload and the time necessary to process grant applications, which in turn will enable DWR to make grant awards more quickly. It also will avoid duplication of effort for regions that execute a robust project selection process and decrease the time commitment and cost of doing a grant application.

We appreciate this opportunity to suggest improvements for DWR's grant solicitation process. If you have any questions, please contact Mark Stadler, the San Diego IRWM Program Manager, at (858) 522-6735 or mstadler@sdcwa.org.

Sincerely,

Ken Weinberg, Director of Water Resources

San Diego County Water Authority (San Diego RWMG member)

Marsi A. Steirer, Deputy Director, City of San Diego Public Utilities Department

City of San Diego (San Diego RWMG member)

Troy Bankston, Deputy Director, Department of Public Works

County of San Diego (San Diego RWMG member)

Gary Arant

General Manager

Valley Center Municipal Water District

Roy Coox

General Manager

Vista Irrigation District

Cari Dale

Water Utilities Director

City of Oceanside

Dennis O. Lamb

General Manager

Vallecitos Water District

Jim Howell

Interim General Manager

Carlsbad Municipal Water District

Greg Thomas

General Manager

Rincon Del Diablo Municipal Water District

Kim Thorne

General Manager

Olivenhain Municipal Water District

Brett Sanders

General Manager

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Carlos Lugo

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James L. Smyth

General Manager

Sweetwater Authority

Michael J. Bardin

General Manager

Santa Fe Irrigation District

Eric Larson

Executive Director

San Diego County Farm Bureau

Robyn Badger

Architect

San Diego Zoo Global

/Jack Monger

Executive Director

Industrial Environmental Association

Ronald W. Wootton, PLS

Kimberly O'Connell

Executive Director

Buena Vista Lagoon Foundation

Kimberly O'Connell

Environmental Affairs

University of California, San Diego